

# **Securities Board** **Summary of Recommendations - House**

Page VIII-52

Travis Iles, Securities Commissioner

Rom Reiderman, LBB Analyst

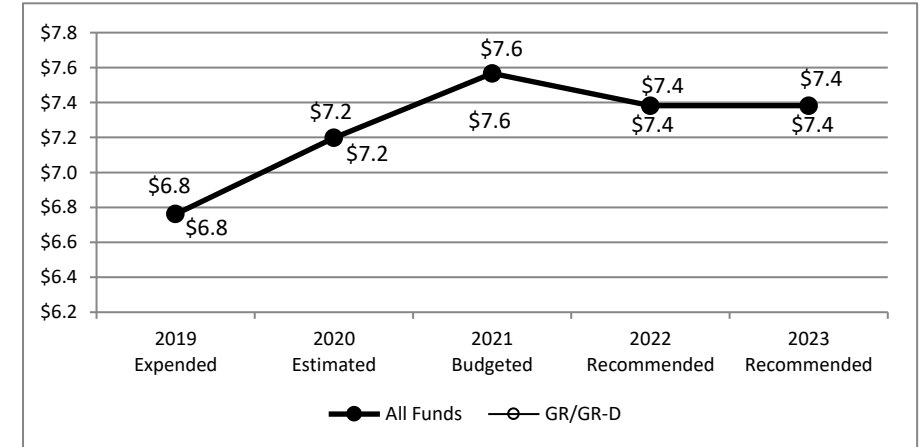
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$14,763,111	\$14,763,111	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$14,763,111</i>	<i>\$14,763,111</i>	<i>\$0</i>	<i>0.0%</i>
Other	\$1,094	\$0	(\$1,094)	(100.0%)
<b>All Funds</b>	<b>\$14,764,205</b>	<b>\$14,763,111</b>	<b>(\$1,094)</b>	<b>(0.0%)</b>

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	86.5	92.0	5.5	6.4%

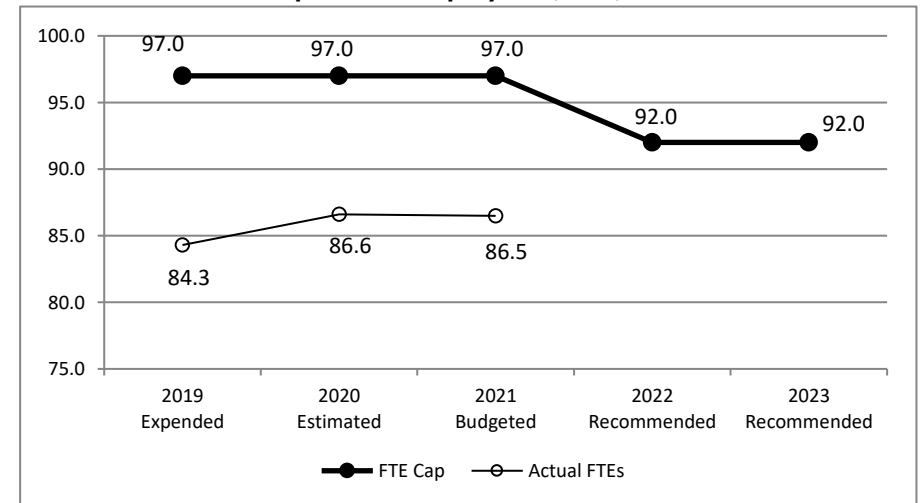
## **Agency Budget and Policy Issues and/or Highlights**

The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

**Historical Funding Levels (Millions)**



**Historical Full-Time-Equivalent Employees (FTEs)**



**Securities Board**  
**Selected Fiscal and Policy Issues - House**

1. **Recover Law Enforcement Reduction:** The agency requests to recover a portion of the 5% base reduction related to law enforcement duties. The agency indicates that because of the rise of cryptocurrency and the vulnerable victim legislation, the need for enforcement against fraudulent investment schemes has risen considerably over the last two years. This would be funded from recovering 40% of the 5% reduction for the upcoming biennium (\$310,802) and used for law enforcement activities against fraudulent investment schemes.

**Securities Board  
Rider Highlights - House**

**Modification of Existing Riders**

None

**New Riders**

None

**Deleted Riders**

2. **Lump Sum Annual Leave Payout.** Recommendations for the Securities Board include the removal of the Lump Sum Contingency rider.
3. **Sunset Contingency.** Recommendations for the Securities Board include the removal of the Sunset Contingency rider because the agency is no longer under review by the Sunset Advisory Commission.

Securities Board  
Items Not Included in Recommendations - House

		2022-23 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
Agency Exceptional Items Not Included (in agency priority order)							
1)	Recover the portion of the base reduction attributable to law enforcement duties.	\$310,802	\$310,802	0.0	No	No	\$310,802
2)	Recover portion of lapse due to 5% reduction to continue operating at FY2021 levels of registration, inspection, information technology, and administrative duties.	\$466,204	\$466,204	0.0	No	No	\$466,204
3)	Contingency to cover lump sum termination payments for the annual leave accrued by employees leaving the agency.	\$480,566	\$480,566	0.0	No	No	\$0
4)	Funding to add a staff member to the General Counsel division.	\$175,950	\$175,950	1.0	No	No	\$175,950
TOTAL Items Not Included in Recommendations		\$1,433,522	\$1,433,522	1.0	\$952,956		

**Securities Board  
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	6
B	Summary of Federal Funds	*
C	FTE Highlights	7

\* Appendix is not included - no significant information to report

Securities Board					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments (Optional)
LAW ENFORCEMENT 1.1.1	\$5,772,179	\$5,876,157	\$103,978	1.8%	
SECURITIES REGISTRATION 1.2.1	\$799,619	\$836,890	\$37,271	4.7%	
DEALER REGISTRATION 1.3.1	\$895,933	\$820,320	(\$75,613)	(8.4%)	
INSPECT RECORDS 1.4.1	\$3,919,008	\$3,799,124	(\$119,884)	(3.1%)	
<b>Total, Goal 1, PROTECT INVESTORS</b>	<b>\$11,386,739</b>	<b>\$11,332,491</b>	<b>(\$54,248)</b>	<b>(0.5%)</b>	
CENTRAL ADMINISTRATION 2.1.1	\$2,810,004	\$2,875,260	\$65,256	2.3%	
INFORMATION TECHNOLOGY 2.1.2	\$567,462	\$555,360	(\$12,102)	(2.1%)	
<b>Total, Goal 2, INDIRECT ADMINISTRATION</b>	<b>\$3,377,466</b>	<b>\$3,430,620</b>	<b>\$53,154</b>	<b>1.6%</b>	
<b>Grand Total, All Strategies</b>	<b>\$14,764,205</b>	<b>\$14,763,111</b>	<b>(\$1,094)</b>	<b>(0.0%)</b>	

Securities Board  
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2019	Estimated 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	97.0	97.0	97.0	92.0	92.0
Actual/Budgeted	84.3	86.6	86.5	NA	NA

Schedule of Exempt Positions (Cap)

Securities Commissioner (\$162,491)

Notes:  
The State Auditor's Office Report, Executive Compensation at State Agencies (Report 20-706, August 2020), indicates a market average salary of \$172,087 for the Securities Commissioner position at the Securities Board. The agency is requesting consideration be given to increasing allowable compensation in line with the SAO report, and would use existing funding for any increase in authority provided.